

TICUA



Tennessee Independent Colleges and
Universities Association

Overview of the 2005-06 Lottery Recipients

August 2006

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Foreword

The Tennessee Independent Colleges and Universities Association (TICUA) is pleased to present the results of our first study on the impact of the Tennessee Education Lottery Scholarship (TELS) program. This study highlights the trends in participation and persistence by lottery students attending TICUA campuses.

In 2005-06, nearly 6,400 students receiving the lottery award attended a TICUA member institution. Our institutions received over \$22.4 million in award revenue—\$19 million of which was awarded to students receiving the HOPE base lottery award. Last year, students from every county in the state except two received a lottery scholarship to attend a TICUA institution.

We hope that this report is helpful to you. We strive to make sure that the information contained in this publication is as accurate and current as possible. The information on the TELS program reflects data collected from TICUA member institutions from fall 2004 to spring 2006.

We welcome your thoughts and comments on this publication.

Heather Jack
Director of Research and Public Affairs

Highlights

Participation

- In 2005-06, private colleges and universities received over \$22.4 million in Tennessee Education Lottery Scholarship (TELS) award revenue.
- Over \$19.5 million of the total revenue went to students who received the base HOPE award of \$3,300 to attend a TICUA member campus.
- Nearly 6,400 students attending TICUA private colleges received the HOPE scholarship. Of those students, 25% also received the supplemental Aspire award (which is based on a student's financial need), and 12% also received the General Assembly Merit Scholarship award, which is based on outstanding academic performance by a student.
- In 2005-06, the majority (85%) of the lottery award recipients attending private colleges and universities were white, while 8% were African American, 2% were Hispanic, and 4% were unknown or not reported.
- Last year, 63% of the HOPE recipients attending TICUA member institutions were female.
- Tennessee students from every county in the state except two (Clay and Van Buren) received a HOPE scholarship to attend a TICUA private college or university.
- TICUA institutions enroll proportionately higher levels of HOPE recipients when compared to the percentage of undergraduate in-state enrollment.

Persistence

- From fall 2004 to fall 2005, TICUA member campuses showed the most success at enabling students to retain their lottery award when compared to other sectors of higher education in Tennessee.
- From fall 2004 to fall 2005, 61% of all student recipients of the base lottery award attending private colleges and universities retained their award.
- Since fall 2004, close to 900 students attending TICUA member campuses have lost their TELS award. Almost all students lost their award because they could not maintain the grade point average qualification.

Overview of the 2005-06 Tennessee Education Lottery Scholarship

This report highlights student participation and persistence in the Tennessee Education Lottery Scholarship program (TELS) for students attending one of TICUA’s undergraduate institutions. This study spotlights data from the past year (academic year 2005-06) and when available includes data from academic year 2004-05.

The first section of this report provides a brief history on the TELS program. Following this section, the report highlights the award distribution including information by gender, ethnicity, and county. The next section examines college participation patterns and how these patterns have changed since the enactment of the program. In addition, this report reviews trends in year to year persistence by award recipients. When data are available, information on students attending TICUA member institutions is compared to students attending other colleges and universities in Tennessee.

History

In 2004, the Tennessee General Assembly enacted the TELS program. The first cohort of college students benefiting from this program were students enrolling in college in fall 2004 as freshman and sophomores.

This program was created to address several public policy objectives, including:

- Improving academic performance in high school through college scholarship incentives;
- Providing financial assistance to students to promote college access;
- Retaining the state’s best and brightest high school students by creating an incentive that would entice them to stay in the state to attend college;
- Enhancing and promoting economic and community development through workforce development.

The TELS program includes five distinct scholarship award types. Table 1 outlines by award type the various award amounts and eligibility criteria for academic year 2005-06.

Table 1: Facts on 2005-06 TELS Program by Award Type

Award Requirements	HOPE (lottery base award)	General Assembly Merit (merit-based supplemental)	Aspire (need-based supplemental)	Access Award	Wilder-Naifeh Technical Skills Grant
Award \$ at 4-year	\$3,300	\$4,300	\$4,800	\$2,000	n/a
Award \$ at 2-year	\$1,900	\$2,500	\$2,500	\$1,250	n/a
Award \$ at TN Tech Centers	n/a	n/a	n/a	n/a	\$1,500
High School GPA	3.0	3.75	3.00	2.75	n/a
ACT	or 19	and 29	or 19	and 18	n/a
Family Adjusted Gross Income	n/a	n/a	\$36,000 or less	\$36,000 or less	n/a

Source: The Tennessee Higher Education Commission, March 2006.

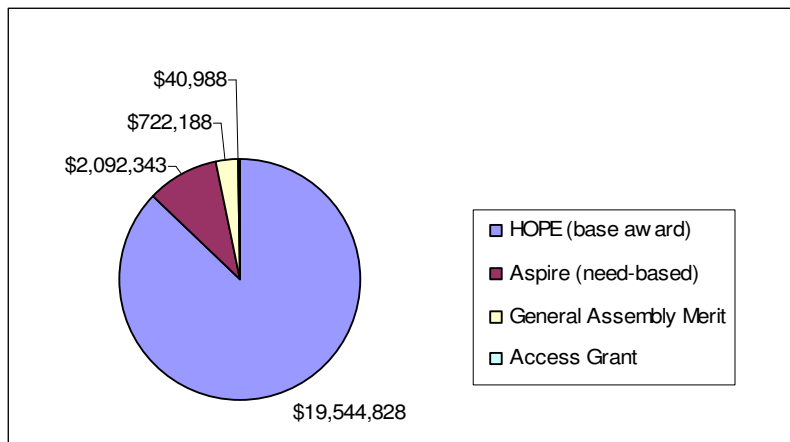
Students attending TICUA member institutions are eligible to receive all of the award types except the Wilder-Naifeh Technical Skills grant. This grant is awarded to students attending technical centers in the state. TICUA does not have any technical centers in its membership therefore analysis of this award type is not included in this report.

Allocation and Distribution

This section is divided into four parts. The first part of this section details information on TELS award allocation by award type. The remaining parts of this section highlight data on the distribution of TELS award recipients by gender, ethnicity, and county level.

Allocation by Award Type

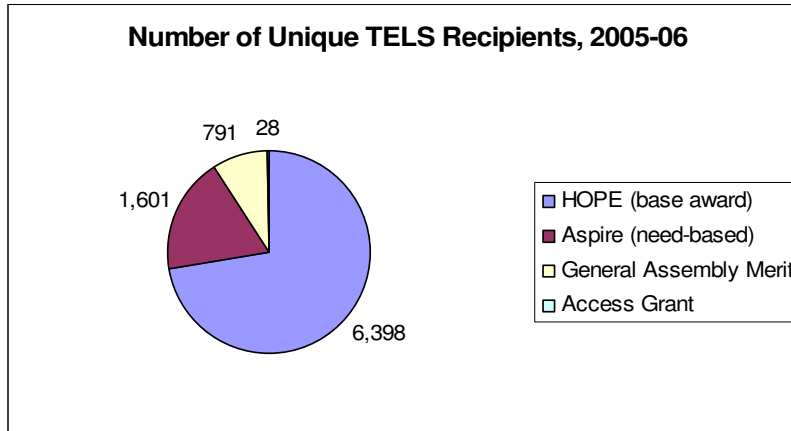
Figure 1: Allocation by Award Type for TICUA Members Institutions



Data reports unique recipients. Data excludes Trevecca Nazarene University and Vanderbilt University. Source: TICUA Enrollment Reports, 2005-06.

In 2005-06, TICUA member institutions received over \$22.4 million in TELS award revenue. The majority of the revenue, \$19.5 million, was awarded to students receiving the HOPE base award of \$3,300. Over \$2 million in additional financial aid was awarded to low-income students attending TICUA member campuses through the Aspire award: this award provides an additional \$1,500 to the HOPE award of \$3,300.

Figure 2: Award Type for TICUA Member Institutions



Data reports unique recipients. Data excludes Trevecca Nazarene University and Vanderbilt University. Source: TICUA Enrollment Reports, 2005-06.

In the past year, nearly 6,400 students attending TICUA member institutions received the HOPE scholarship. Of those students, 25% also received the Aspire award (based on financial need), and 12% also received the General Assembly Merit Scholarship award of \$1,000 (based on outstanding academic performance).

Over this time period, Lipscomb University enrolled the most HOPE scholarship recipients at 600, followed by Belmont University at 565, Carson-Newman College at 482, Maryville College at 457, and Union University at 417.

For academic year 2005-06, TICUA member institutions enrolling the most Aspire award recipients included Carson-Newman College at 121 recipients and Maryville College at 110 recipients. Member institutions with the most students receiving the General Assembly Merit Scholarship in 2005-06 included Belmont University at 170 recipients, followed by Lipscomb University at 113 recipients. For this same year, 17 TICUA member campuses enrolled 28 Access Grant recipients.

Distribution by Gender

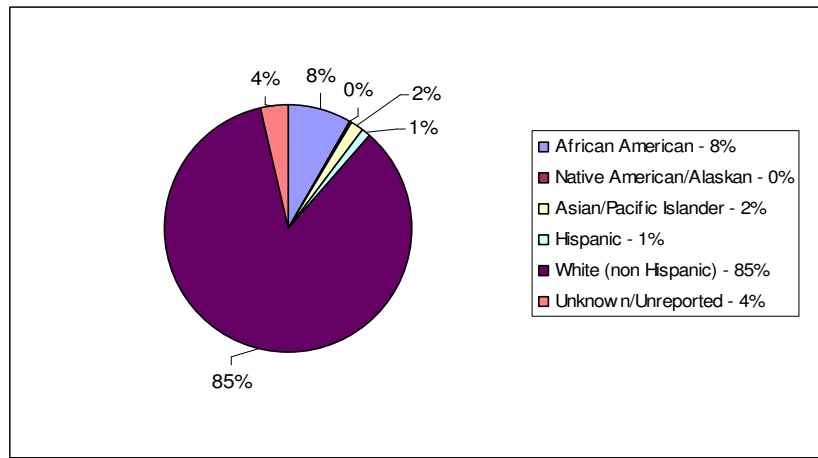
In 2005-06, the majority (63%) of the HOPE recipients attending TICUA institutions were female. The figure is slightly higher than the overall percentage of students attending Tennessee's public and private colleges in 2004-05 (which fell at 58%).

An analysis of TICUA member institutions with more than 350 HOPE recipients in 2005-06 shows the percentage of female recipients is slightly higher. At Belmont University approximately 69% of the HOPE recipients are female, while about 66% are female at Lee University. Close to 64% of lottery recipients at Carson-Newman College, Lipscomb University and Union University are female.

The overall percentages for the HOPE award recipients by gender is similar to the gender distribution of the Access Grant and the two supplemental awards (Aspire and General Assembly Merit Scholarship), close to 63% female and 37% male.

Distribution by Ethnicity

Figure 3: 2005-06 HOPE Base Award Recipients by Ethnicity



Data reports unique recipients. Data excludes Trevecca Nazarene University and Vanderbilt University. Source: TICUA Enrollment Reports, 2005-06.

In 2005-06, the majority (85%) of students receiving the HOPE award attending private colleges and universities were white (5,436), while approximately 8% (535) were African American, 2% were Hispanic and 4% were unknown or not reported. These enrollment percentages by ethnicity are different from fall 2005 undergraduate enrollment by ethnicity for TICUA member institutions. For instance, African American students comprise 15% of overall undergraduate enrollment at TICUA member institutions, while reflecting 8% of the HOPE award recipients. According to the Tennessee Higher Education Commission, this trend mirrors other award rates by ethnicity for similar broad-based merit aid programs (Tennessee Higher Education Commission, 2006).

Not surprisingly, TICUA’s three historically black colleges enroll a very large percentage of the African American HOPE award recipients. All of the HOPE recipients at LeMoyne-Owen College are African American, whereas 98% at Lane College and 97% at Fisk University.

Figure 4: Distribution of TELS Recipients Attending TICUA Institutions, 2005-06



Data reports unique recipients. Data excludes Trevecca Nazarene University and Vanderbilt University. Source: TICUA Enrollment Reports, 2005-06.

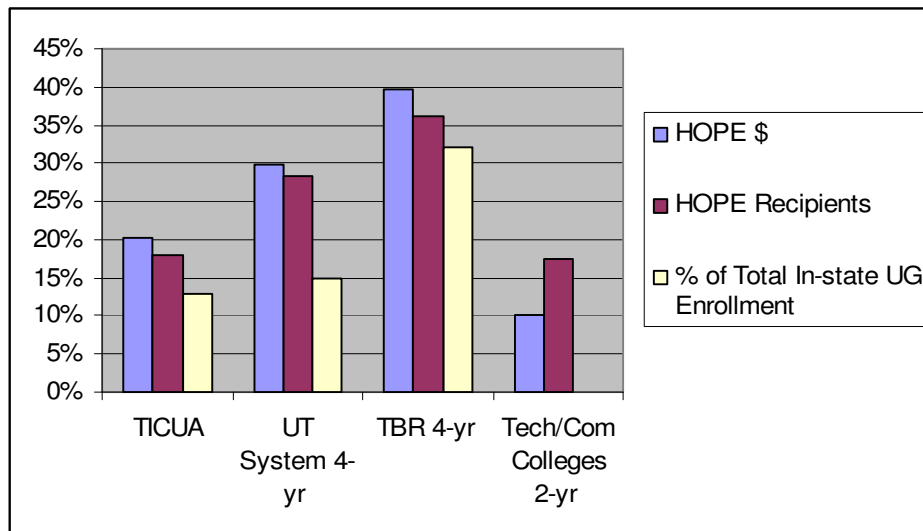
Last year, students from every county in the state except two (Clay and Van Buren) received a HOPE scholarship to attend a TICUA institution. A review of HOPE

scholarships by county indicate that the distribution of award recipients is similar to the distribution by population levels. Shelby, the largest county in the state based on population, has 812 lottery recipients attending TICUA member institutions. The remaining top five counties with the highest HOPE recipients include Davidson (557 recipients), Knox (393 recipients), Williamson (352 recipients) and Hamilton (289 recipients). All of these counties are in the top five by population, except for Williamson which is ranked 9th in overall population.

Award Allocation at Tennessee’s Public and Private Colleges and Universities

This section highlights the award distribution of the HOPE scholarships by higher education system. In the past year, over 40,000 HOPE scholarship awards—worth more than \$126 million—were distributed to students attending Tennessee’s colleges and universities.

Figure 5: HOPE Dollars/Recipients/Undergraduate In-state Enrollment by Higher Education Sector, 2005-06



Data reports unique recipients for 2005-06 and enrollment figures are for fall 2005. Data Source: Tennessee Student Assistance Corporation, 2006; Tennessee Higher Education Commission, 2006; Tennessee Independent Colleges and Universities Association, 2006.

In 2005-06, an examination of award dollars by higher education sector reveals that 40% of scholarship award dollars were given to students attending Tennessee Board of Regents four-year institutions, followed by 30% to students attending the University of Tennessee system, 20% to students attending the independent colleges and universities, and 10% to students attending the state’s community and technical schools.

In addition, figure 5 highlights the number of HOPE recipients by higher education system. In 2005-06, approximately 36% of all HOPE recipients attended one of the Tennessee Board of Regents (4-year) institutions, while 28% attended an institution in the University of Tennessee system, 18% attended a four-year or two-year private college or university, and 18% attended a 2-year technical or community college.

TICUA member institutions enroll proportionately fewer Tennessee students than other higher education sectors in the state. Last fall, a little more than half (53%) of undergraduate students attending the TICUA member institutions were Tennessee residents, while 87% of undergraduate students attending the University of Tennessee institutions were Tennessee residents and 89% of undergraduate students attending the Tennessee Board of Regents four-year institutions were Tennessee residents.

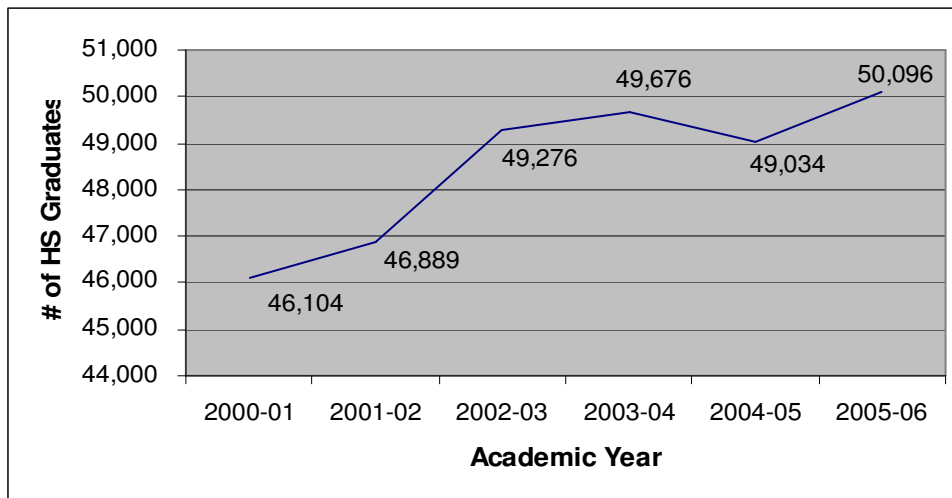
This figure also compares the percentage of HOPE recipients attending Tennessee’s colleges and universities with undergraduate enrollment. For instance, of the total 188,662 in-state undergraduate college students in the state, the University of Tennessee system enrolled 15%, while benefiting from 28% of all HOPE recipients. TICUA member campuses enrolled 13% of undergraduate in-state enrollment, while receiving 18% of the overall HOPE recipients. The Tennessee Board of Regents four-year institutions accounted for 32% of total undergraduate in-state enrollment and enrolled 36% of all HOPE recipients. This analysis shows that four-year colleges and universities enroll proportionately higher levels of HOPE recipients when compared to their percentage of overall undergraduate in-state enrollment.

While, two-year colleges tend to enroll a smaller proportion of HOPE recipients when compared to overall in-state undergraduate enrollment. For example, the Tennessee Board of Regents two-year institutions account for 39% of total undergraduate in-state enrollment, and enroll 18% of all HOPE recipients.

College Participation

One of the primary goals of the TELS program is to increase the opportunity for Tennesseans to attend college by providing financial incentives to students based on academic performance. To gauge the impact of the TELS program on enrollment patterns, this section examines the trends of high school graduates in Tennessee and enrollment patterns of first-time freshmen at TICUA member institutions.

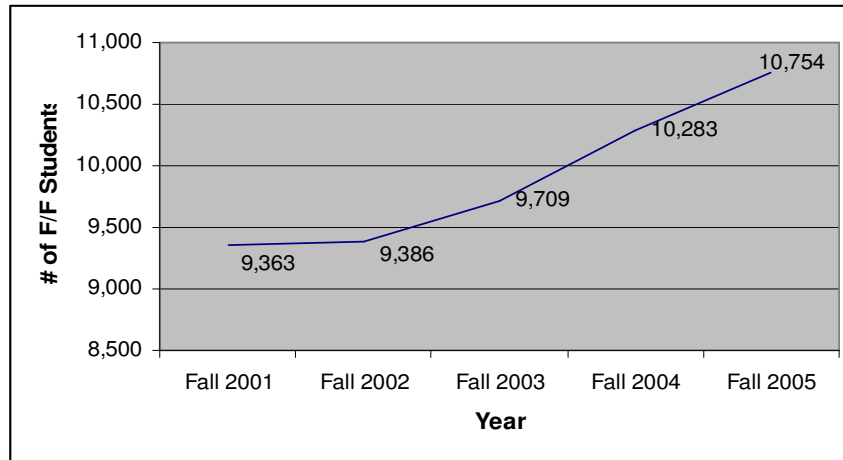
Figure 6: Total High School Graduates in Tennessee, 2001-2005



Source: National Center for Education Statistics, 2004; Western Interstate Commission on Higher Education, 2006.

Figure 6 illustrates to the number of students graduating from both public and private high schools in the state for the last five years. College students could take advantage of the TELS award beginning in fall 2004. From fall 2003 to fall 2004, the number of students graduating from high school declined by 1.3%. At the same time, college participation at TICUA institutions for first-time freshman increased by nearly 6%.

Figure 7: Enrollment Figures for First-Time Freshman at TICUA Member Institutions



These figures include in state and out of state students. Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS) "Enrollment Surveys."

Figure 7 represents enrollment patterns for first-time freshman at TICUA member institutions serving undergraduate students. From fall 2003 to fall 2004, the increase in first-time freshman was about 6%, while total undergraduate enrollment at TICUA member colleges and universities increased by 4.6%. At this same time, the number of high school graduates in the state declined by 1.3%. In summary, the number of high school graduates declined while the number of first-time freshman increased more than the increase in total enrollment.

From fall 2004 to fall 2005, first-time freshman enrollment increased by 4.6%, while total enrollment for all students enrolled in TICUA member campuses was close to 4.2%. The increase in high school graduates at this time was about 2%. Although the number in high school graduates increased slightly during this period, the increase did not make up the full increase in the percentage of students enrolling in TICUA member institutions.

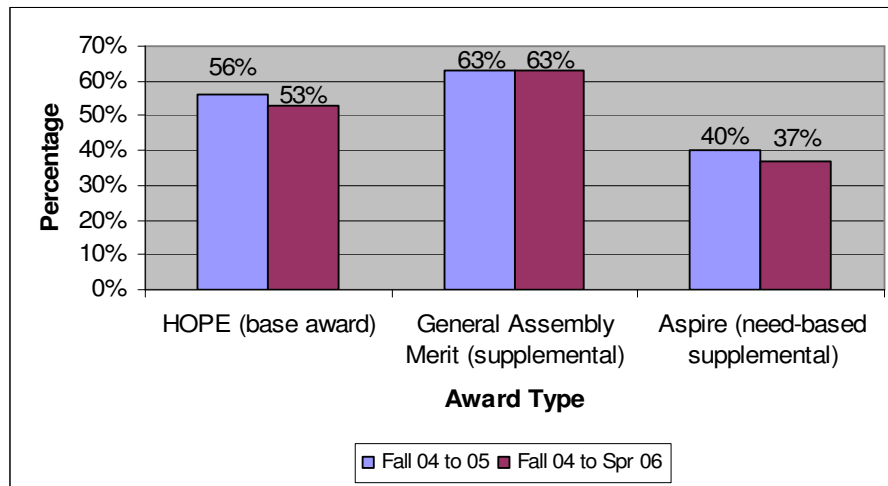
Data also suggests a slight shift in the percentage of high school graduates enrolling in TICUA campuses immediately after high school. In 2000, 8.3% of Tennessee high school graduates enrolled in a TICUA member institution following high school. By 2004, 9.7% of recent high school graduates were enrolling in a TICUA institution immediately after graduation. This data reinforces the increase in in-state students enrolling in undergraduate education at TICUA member campuses.

Based on the first two years of the lottery program, the data reflect a greater increase in the number of students participating in TICUA member institutions than otherwise would have been anticipated. While there may be other reasons for this enrollment increase, the lottery scholarship program may have encouraged higher levels of enrollment. Preliminarily, the data suggest that the lottery program is on target for the public policy goal of increasing educational opportunity for Tennesseans by providing financial assistance to students to attend college based on good academic performance.

Persistence

Persistence at TICUA Institutions

Figure 8: % of Students Retaining HOPE Awards, Fall 04-Fall 05 and Fall 04-Spring 06



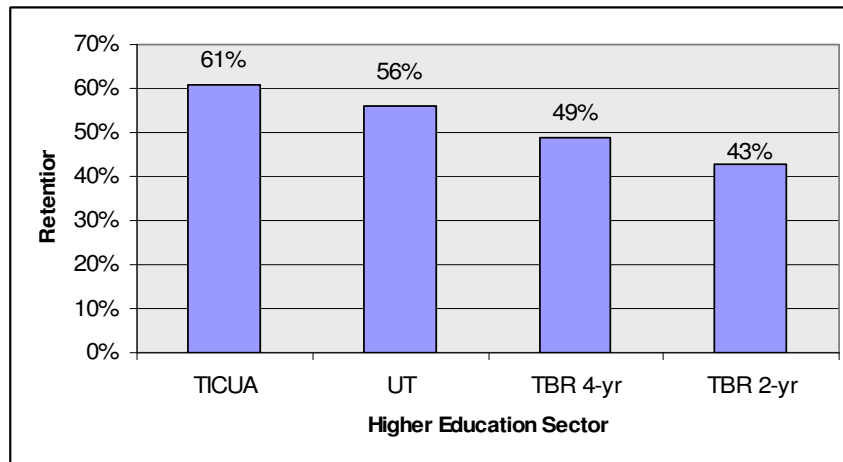
Data reports unique recipients. Data excludes Trevecca Nazarene University and Vanderbilt University. Source: TICUA Enrollment Reports, 2005-06.

Between fall 2004 and fall 2005, 56% of all student recipients of the HOPE base award attending TICUA member institutions retained their award. Of those students, approximately 53% retained their HOPE award through spring 2006. For students attending four-year TICUA member campuses, close to 60% of students retained their HOPE award from fall 2004 to fall 2005. Of those students, 56% are still eligible to receive the HOPE award as of spring 2006. The data reveal that students receiving the supplemental General Assembly Merit Scholarship award were more likely to retain their award compared to low-income students receiving the supplemental Aspire award.

The persistence of the fall 2004 cohort of HOPE scholarship recipients varies across TICUA member campuses. For instance, Baptist College of Health Sciences had the highest retention rate of HOPE recipients between fall 2004 and fall 2005 at 83%. In addition, HOPE recipients at Bryan College retained their awards at a rate of 70% since fall 2004, with a 100% retention rate from fall 2005 to spring 2006. Rhodes College retained 65% of its fall 2004 lottery recipients, with a 100% retention rate from fall 2005 to spring 2006.

Persistence at Tennessee Colleges and Universities

Figure 9: % of First-Time Freshman Retaining HOPE Awards, Fall 04-Fall 05



Source: The Tennessee Higher Education Commission, March 2006. Please note, this data varies slightly from TICUA retention rates because this data includes Vanderbilt University and Trevecca Nazarene University.

Figure 9 shows retention rates for first-time freshman recipients of the HOPE award from fall 2004 to fall 2005. During this period, TICUA member campuses showed the most success with students retaining their HOPE award compared to other sectors of higher education in Tennessee. Research conducted on other state merit-based programs (similar to TELS) indicates that about half of all students lose their scholarship within the first year.

Loss of the Award

Since fall 2004, approximately 916 HOPE recipients attending TICUA member institutions have lost their award. Of those who lost the award, 92% of the students lost their HOPE award because they did not maintain the grade point average qualification (GPA requirement is 3.0).

It is important to note that these figures do not include students who once received the HOPE scholarship to attend a TICUA member institution but are no longer enrolled. From fall 2005 to spring 2006, the data reveal that 1,408 students—students who at one time received the HOPE award to attend a TICUA member institution—were no longer enrolled. Unfortunately, the data cannot tell us if these students re-enrolled in a Tennessee public college or university or dropped out of school.

In 2005, the Tennessee General Assembly enacted a HOPE rule that would allow HOPE base award recipients who lost their award an opportunity to regain their award. At this time, it is too early to gauge the impact this new rule will have on persistence of the award.

Conclusion

This report captures the first two years of the TELS program, and the initial impact this program has had on student financial aid, college participation, and college persistence. Preliminarily, the data in this report reveal that the TELS program has promoted college access through financial incentives. In addition, other data in this report show that more Tennessee high school graduates are enrolling in TICUA member institutions. TICUA institutions are also enrolling a greater proportion of HOPE recipients when compared to undergraduate in-state enrollment. How much of an impact the financial incentives will increase access and keep Tennessee high school students in the state for college is too soon to tell. As this program matures, it will be worth investigating these trends further.

Methodology

The majority of the data reported in this study were compiled by TICUA using fall and spring enrollment reports beginning in fall 2004. Data are collected in October and March of each year. TICUA makes every effort to report data accurately and in a timely manner. However, TICUA is limited to reporting data consistent with the enrollment and completions reporting requirements. Trevecca Nazarene University and Vanderbilt University are excluded from some of the data results in the report because these institutions do not report data consistent with TICUA's reporting requirements.

This report focuses on TICUA member institutions who serve undergraduate students, since these are the students who are eligible to receive the lottery award. TICUA membership includes three professional schools (Meharry Medical College, Middle Tennessee School of Anesthesia, and Southern College of Optometry) and these schools are not included in this analysis.

This report will be updated annually for TICUA member campuses.

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TICUA Members

Aquinas College
Baptist College of Health Sciences
Belmont University
Bethel College
Bryan College
Carson-Newman College
Christian Brothers University
Crichton College
Cumberland University
Fisk University
Free Will Baptist Bible College
Freed-Hardeman University
Hiwassee College
John A. Gupton College
Johnson Bible College
King College
Lambuth University
Lane College
Lee University
LeMoyne-Owen College
Lincoln Memorial University
Lipscomb University
Martin Methodist College
Maryville College
Meharry Medical College
Memphis College of Art
Middle Tennessee School of Anesthesia
Milligan College
Rhodes College
Southern Adventist University
Southern College of Optometry
Tennessee Wesleyan College
Trevecca Nazarene University
Tusculum College
Union University
University of the South
Vanderbilt University

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